

Springfield Area, Missouri COMPETITIVE ASSESMENT

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Overview

The *Competitive Assessment* began by using quantitative data from official local, state, and national sources to analyze a combination of factors that determined Springfield's competitiveness as a place of business and a destination for workers and visitors.

To accurately assess metro Springfield in terms of **People, Prosperity and Place**, comparison communities of **Knoxville, Tennessee; Colorado Springs, Colorado; and Kalamazoo, Michigan** were chosen in collaboration with the Springfield Chamber of Commerce and the SBDC staff.

People: Underpinning the region's overall socio-economic wellbeing is the ability of its workers to generate personal wealth. *Market Street* has assessed where roadblocks to personal wealth generation are still prevalent and where progress has been made. To achieve this, the firm looked at factors like educational attainment, per capita income, and bankruptcy and foreclosure rates.

Prosperity: *Market Street* assessed the region's economic performance in recent years. To gauge Springfield's competitive position as well as economic challenges regional leaders must continue to address, *Market Street* has examined indicators associated with metro Springfield's prosperity, including job and wage growth, unemployment trends, labor force participation, and other related indicators.

Place: Economically competitive places are those that offer a high quality of life capable of attracting and retaining residents and workers. Quality of life is a term difficult to quantify and is based on personal choices. However, there are key factors that most people agree are important when choosing a place to live or work, including cost of living, access to certain amenities, and Infrastructure that provide significant benefits to the economy and contribute to a place's overall "livability."

Key Findings

People: Exploring the region's population dynamics.

Although the Metro Springfield area is experiencing population growth associated with the net migration from surrounding smaller counties and low cost of living, there are challenges related to employee recruitment, the school system, and education attainment.

The **strengths and opportunities** found in the Competitive Assessment are:

- Strong population growth and increasing diversity.
- Loyalty to the community – overall, project survey respondents expressed a strong desire to remain within the region in the long-term.
- Engaged, committed private-sector leadership and strong organization among the region's emerging leaders/young professionals.
- Improvement in the region's educational attainment levels.
- High regard for suburban school systems.
- High confidence in the region's workforce in terms of soft skills, work ethic, and basic qualifications.
- Strong local support for – and confidence in – metro Springfield's higher education institutions.
- Affordable housing stock, which can serve as a workforce attractor.

Some key **weaknesses** are:

- A reported "culture of poverty" throughout the region – especially related to youth poverty – and its associated challenges including: lower incomes, high foreclosure and bankruptcy rates, and rising rates of teenage pregnancy.
- Declining student performance and confidence in the Springfield city school system that is reportedly leading to increased suburban out-migration.
- A fast-growing 25-34-year-old age group, but a limited number of entry-level jobs offering competitive wages that reportedly risks out-migration of the region's best and brightest young people ("brain drain").
- Lowest percentage of adults with Bachelor's, Master's and professional degrees versus the comparison areas.
- A need for more programs linking high school students to the business community and providing young professionals with opportunities to serve in local leadership positions.
- Weak state-level leadership and financial support for higher education and workforce development in Southwest Missouri.
- Difficulty attracting and retaining workers due to (1) negative, outdated, and false perceptions about the Ozarks; (2) "sticker shock" of Springfield's comparatively low salaries, (3) the lack of diversity within the region, and (4) the lack of high-wage jobs.

Prosperity: Assessing the realities of the Springfield economy.

Over the last five years, the Springfield region has outperformed the state, nation, and benchmarks in terms of job growth. While the low average annual wage is an attractive selling point for businesses, it can be a hurdle in retaining existing talent and attracting new residents to the area.

Much of the community also feels that stronger state-level advocacy is needed and a greater willingness to offer incentives to new and expanding businesses that make significant investments within the City of Springfield.

Strengths pertaining to Metro Springfield prosperity are:

- Comparatively high rates of regional job growth, with approximately 65 percent of new job growth occurring in sectors that pay above the region's average annual wage.
- Strong worker productivity rates.
- An increasingly diversified economy that "exports" service and product employment outside of the region.
- Potential to cultivate international contacts in China for economic development.
- Strong potential for further growth and investment in innovation at Jordan Valley Innovation Center and IDEA Commons.
- Potential to improve the business climate through (1) the competitiveness of local and state incentives, (2) the availability of venture capital, and (3) support and retention services for existing businesses.

Weaknesses and threats include:

- Comparatively average, yet declining labor force participation rates.
- Significantly lower comparative wages adversely impact wealth-creation and worker retention/attraction.
- Reportedly poor customer service and non-business-friendly development processes at the City of Springfield that are said to hinder investment.
- Poor organization and advocacy among potential supporters of economic development initiatives.
- Risk-averse public leadership reflecting an anti-tax-and-spend electorate reportedly limits governments' desire to facilitate economic growth through provision of subsidized infrastructure as a development incentive.

Place: Analyzing quality of life and key infrastructure factors of the region.

Overall, the community is satisfied with infrastructure investments and capacity within the Springfield region, however, lower levels of satisfaction were expressed with the public transit system. Numerous components of the Springfield Area's quality of life were said to be great strengths of the region and its communities.

Strengths and opportunities include:

- A dynamic, very competitive quality of life inclusive of numerous cultural and recreational amenities.
- Stable regional housing market.
- Robust health care capacity, which continues to grow and generate jobs.
- Strong philanthropic community and culture of giving.
- Momentum in Downtown Springfield redevelopment, which has resulted in a variety of businesses and events that appeal to a broad variety of residents and visitors.
- Missouri State's IDEA Commons, which many feel can further catalyze Downtown development, attract/retain young talent and potentially even "brand" the region.
- Diverse recreational amenities that appeal to a wide variety of lifestyle seekers.
- Presence of a national airport with cargo capabilities, Class I rail, Interstate access, and highly competitive utility rates.

Weaknesses and threats include:

- Vulnerability of the city, both in terms of financial outlook (police/fire pension fund) and a lack of community and public-leadership vision and support for change.
- A local daily newspaper that has lost credibility and objectivity and is said to incite conflict and community opposition to progressive change.
- Risk of potential government regulation and increased development costs from high relative percentage of facilities that degrade the environment.
- High incidence of property crime, drug use and production, and over-extended law enforcement agencies.
- An airport facing an increasingly competitive market for fliers that could adversely impact air travel costs and capacity.

Market Street Services, Inc. was founded in 1997 by J. Mac Holladay, CCE, PCED as an alternative to the traditional economic development firm. Market Street is an independent, national workforce, community, and economic development consulting firm based in Atlanta, Georgia.

Market Street brings original insights and clarity to the evaluation and revitalization of the places where people live, work, and grow. Through honest and informed assessments, Market Street works with the community to create meaningful change. Our solutions merge our experience and expertise with the economic and social realities of our clients.

Market Street's community clients are successful at creating stronger programs, increasing operational budgets, and creating new quality jobs that improve the quality of life in their communities.



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